(d) As against the amount of Rs. 200 crores transferred to USO Fund during the current financial year, the Ministry has raised a demand for Rs. 2700 crores at the Revised Estimates stage.

Outcome of the meeting of Tata and VSNL

731. SHRI NILOTPAL BASU: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that a certain amount has been set off from the reserves of the VSNL by the Tata VSNL in a special board meeting as carrying cost of the asset;

(b) if so, the details thereof;

(c) whether Government nominees had agreed to this proposal and if so, the reasons thereof; and

(d) whether the decision is in keeping with the shareholders agreement?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEELAHMAD): (a) Yes, Sir. Decision to this effect was taken in 140th Board meeting of VSNL held on 04-03-2004.

(b) The 140th Board meeting held on 04-03-2004 contained an agenda item "To consider and approve the reduction in the carrying values of operating assets as on December 31, 2003 under the provisions of Section 78 read with Section 100 of the Companies Act, 1956." The proposal amounted to reduction of value of fixed assets of company from Rs. 1862 crores to Rs. 906 crores by way of restructuring and utilization of an amount of Rs. 956.41 crores in the Securities Premium Account to effect the downward revision.

(c) This was approved by the Board including the Government nominees. The purpose of carying out the exercise was to reduce the burden of old high value assets on the company by writing down those assets; thereby making the company more cost-efficient in the competitive market and to be able to adjust such reduction against the Security Premium Account while it is permissible.

(d) After approval of the Board, same was notified to the Bombay Stock Exchange and National Stock Exchange under the listing ageement. The

proposal was later approved by the Share Holders in the E.G.M. held on 02-04-2004 and also was approved by the Hon'ble High Court of Mumbai on 06-05-2004. There is no violation of Share Holders Agreement.

New scheme of BSNL in Rajasthan

732. SHRI SANTOSH BAGRODIA:

SHRIMATI AMBIKA SONI:

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that BSNL had announced a scheme in Rajasthan in October, 2004, under which applicants were offered to pay Re. 1/- towards booking of new telephone connections;

(b) if so, the date from which scheme became effective and how many connections were booked in the last week of October, 2004; and

(c) whether the BSNL staff was fully prepared to meet this huge public demand?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD): (a) Yes, Sir.

(b) The scheme was made effective from October 22, 2004. 4156 connections were booked in the last week of October, 2004.

(c) Yes, Sir.

Proposals from International Telecom Companies

733. SHRI RAJEEV SHUKLA: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether Government have received any proposals from major international telecom companies for setting up of manufacturing facilities in India;

(b) if so, the details of Government's decision in this regard; and

(c) the details of any incentives poposed by Government to promote such investments in manufacturing?